

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised March 17, 1999

Submit 3 Copies to appropriate
District Office

NFO Permit No. 2-930
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

30-015-24447

A. Applicant NGX Company, Inc.

whose address is P.O. Box 5, Roswell, NM 88202-0005

hereby requests an exception to Rule 306 for 30 days or until

 , Yr , for the following described tank battery (or LACT):

Name of Lease Boggs Fee #1 Name of Pool Esperanza Delaware

Location of Battery: Unit Letter I Section 21 Township 22 Range 27E

Number of wells producing into battery 1

B. Based upon oil production of 10 barrels per day, the estimated * volume

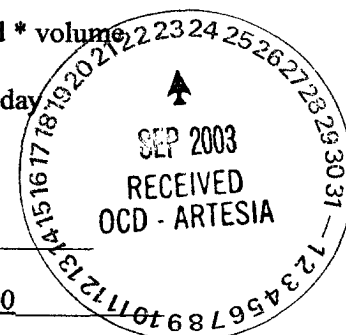
of gas to be flared is 20 MCF; Value \$50.00 per day

C. Name and location of nearest gas gathering facility:

No low-pressure lines in close proximity.

D. Distance 1 Mile Estimated cost of connection \$16,000.00

This exception is requested for the following reasons: To production test, to determine if zone has commercial casinghead gas rate



OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature [Signature]

Printed Name

& Title George L. Scott III, Owner

Date 9/19/2003 Telephone No. (505)622.6713

OIL CONSERVATION DIVISION

Approved Until 1-1-04

By [Signature]

Title [Signature]

Date APPROVED SEP 29 2003

* Gas-Oil ratio test may be required to verify estimated gas volume.